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X FOREIGN LIVESTOCK AND MEAT REPORTS 1/

1945-46 WORLD PROSPECTS
for
MEAT, FISH, DAIRY PRODUCTS AND EGGS

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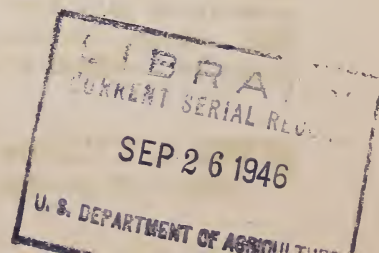
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FOREWARD

Prospects for food supplies from animals in 1945-46, the first year after the end of the war, and in 1946-47 are directly related to total crop production together with requirements of crops for direct human consumption. Availability of crops for livestock production has been considered country by country and from the standpoint of world supplies. As production of nearly all staple food products during the 1945-46 season is below prewar, including declines amounting to about 8 percent for wheat, 15 percent for rye, 16 percent for rice and 18 percent for sugar, larger percentages of these and crops ordinarily grown for feed, as well, have been utilized for food, leaving reduced quantities for livestock production. Thus, very little progress is expected to be made in the expansion of livestock production in 1946.

While production of important food crops will undoubtedly increase in 1946-47, barring an unfavorable season over large areas, it is certain that production will still be somewhat below prewar levels, especially if allowance is made for the expansion in population. Moreover, reserve stocks will be low. As a result, any improvement in the output of livestock products for food in 1946-47 will be moderate.

1/ This series of reports is prepared in the Livestock and Wool Division.



FOOD FROM LIVESTOCK

In 1945-46, food supplies from animals compare favorably with prewar in nearly all parts of the world except Europe and the Soviet Union, where supplies are much lower. In northwest Europe, including Norway, animal protein supplies will be augmented by relatively large supplies of fish. The summary table below indicates for Europe the supplies of meat and dairy and poultry products in relation to prewar. The accompanying maps indicate the level of livestock numbers and egg production in 1945 in comparison to prewar.

Continental Europe 1/: Estimated production of protein foods in 1945-46 compared to prewar production and consumption.

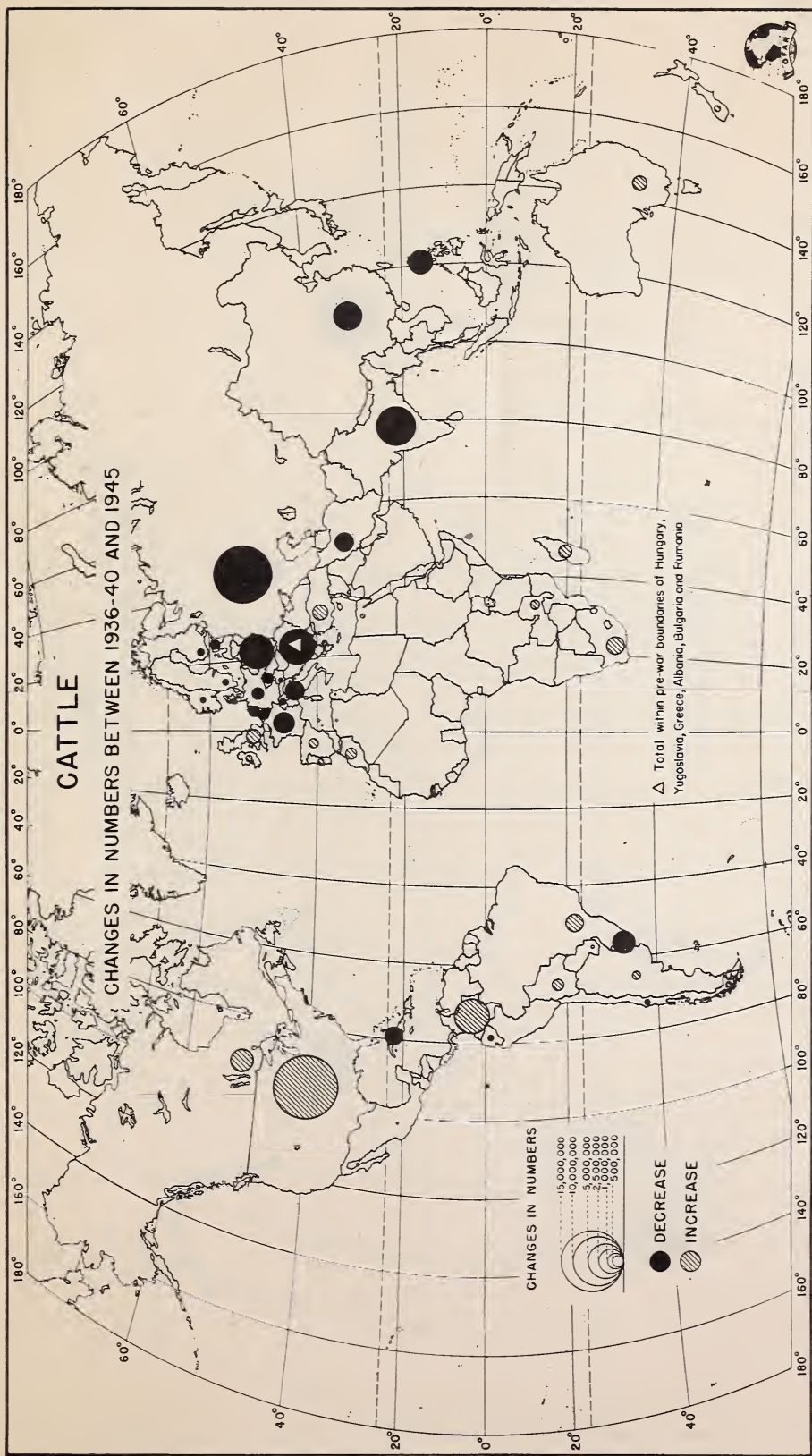
I t e m	Production		Average		Estimated
			annual		1945-46
	Average:		consumption:		production
	1934-38:	1945-46	1934-38		as percentage
					of average
					consumption
	Million	Million	Million		
	pounds	pounds	pounds		Percent
Meat <u>2/</u>	25,279	14,269	24,973		57
Cheese	2,746	1,585	2,636		53
Eggs <u>3/</u>	4,872	2,441	4,657		52
Whole milk for fluid consumption		(45,000)	72,000		63

1/ Excluding Soviet Union. 2/ Carcass meat plus edible offal. Does not include poultry and rabbit meat. 3/ Converted on basis of 8 eggs to the pound, which is equivalent to 2 ounces or 56 grams per egg. Eggs in Europe vary from 45 grams to 62.5 grams each.

The world output of meat and dairy and poultry products was at high levels from 1938 through 1944 because of relatively plentiful supplies of grains and oil cake, good forage conditions, and the war demand for these products which stimulated production. Diminishing supplies of feeds, war losses of livestock, and unfavorable pasture conditions during the past year have brought some reduction in nearly all countries. Only in the United States and Canada has production been well maintained, and even here the pinch of short feed supplies has restricted production since 1944.

With increased quantities of grain directed into human consumption, any restoration of production of meat and dairy and poultry products in Europe will be retarded during the immediate future and outside Europe, production will tend to be restricted where dependent upon feed grains. High prices, however, will tend to encourage production of cattle and sheep in marginal areas in some countries.

2/ This is a section from World Food Situation - 1946, issued by Office of Foreign Agricultural Relations, February 1946.

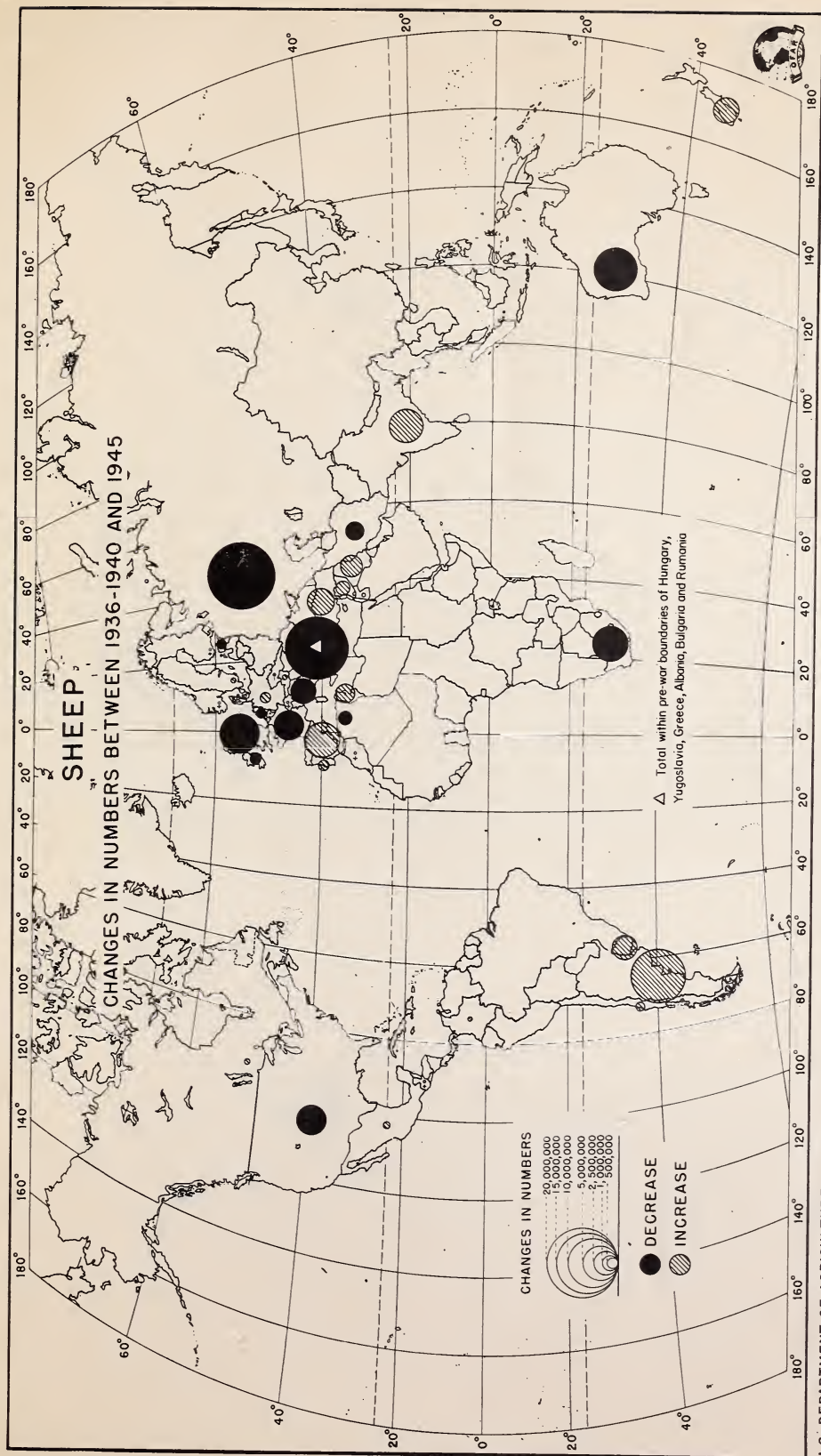


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NEG. 666

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World cattle numbers at the beginning of 1945 are estimated at 711 million head compared to an average of 723 million head for the years 1936-40. While cattle numbers in Europe showed an appreciable decline, 95.5 million head at the beginning of 1945 compared to 110.1 for 1936-40, the output of meat and milk dropped even more because of lower output per animal.

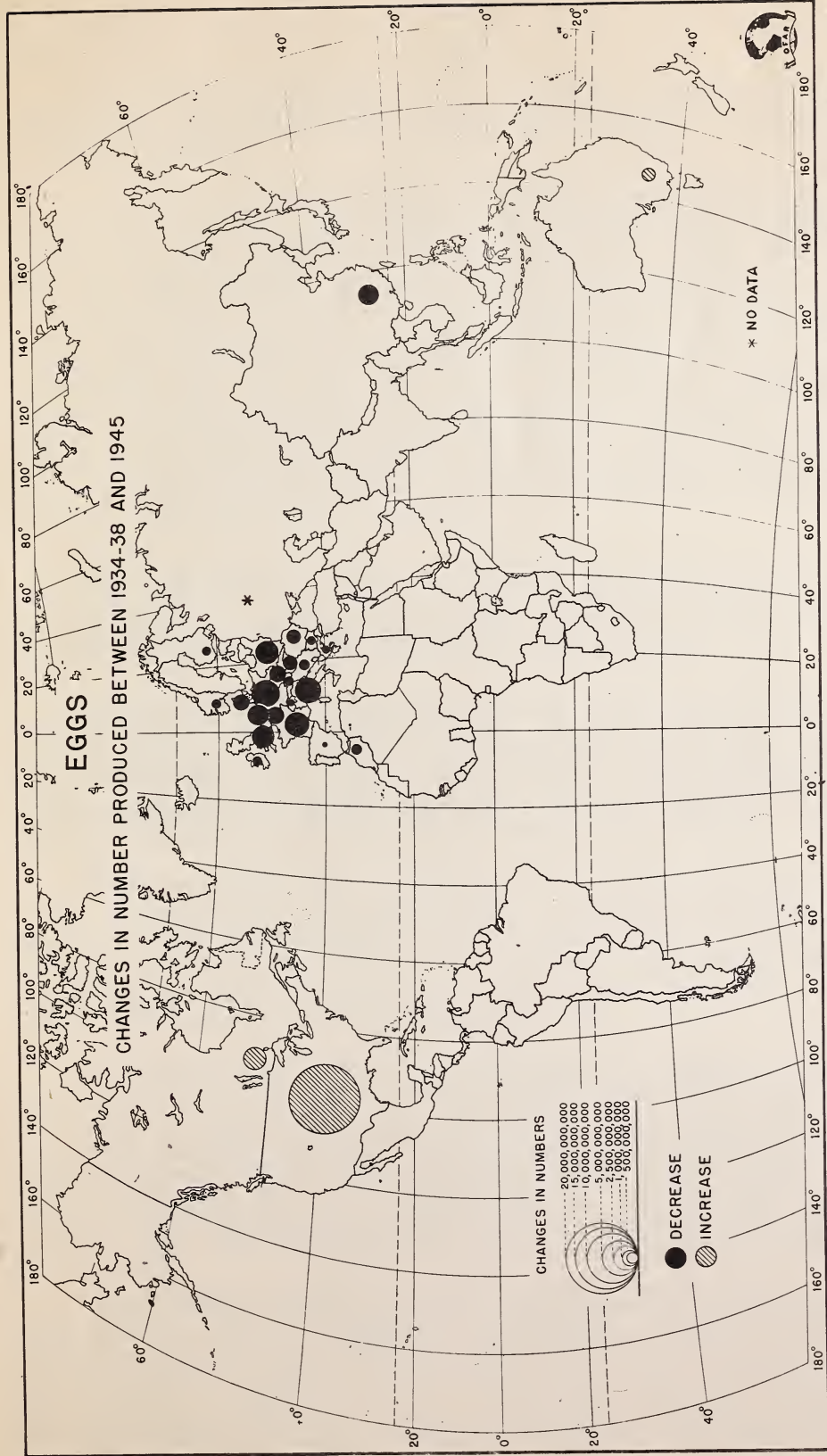


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NEG. 567

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World sheep numbers totalled 718 million head at the beginning of 1945, compared with a 1936-40 average of 754 million. Numbers reached record levels in 1942, but sharp declines since 1942 in the United States, Australia, and Europe reduced numbers below pre-war levels.



U. S. DEPARTMENT OF AGRICULTURE

NEG. 669

OFFICE OF FOREIGN AGRICULTURAL RELATIONS

World egg production in 1945 was about 5 percent less than the average for the years 1934-38. Egg production in Europe is only about half of pre-war levels but output in the United States and Canada is about 54 percent higher.

Meat

The year 1945 ended with actual deliveries of meat considerably below allocations, especially those to the United Kingdom and importing countries of Western Europe.

Production of meat in 1945 in the major supplying countries dropped sharply from the very high levels of the previous year, whereas military demands continued heavy during much of the year. At the same time, production in Europe continued to decline and dropped to levels that are only about 56 percent of prewar. Reduced shipments from Argentina, Canada, and the United States made it necessary to lower meat rations in the United Kingdom and substantially limited supplies reached France, Belgium, the Netherlands, and other liberated areas. As a result of this and the greatly reduced internal production, meat supplies in these countries at the beginning of the 1945-46 consumption years reached a very low level. In the United States and Canada, supplies of meat reaching consumers also dropped to their lowest level in 1945. Supplies in these two countries improved, however, toward the end of the year.

World production of meat in 1946 will show little if any improvement over last year, the reduction in output in central and southeastern Europe about offsetting the slight improvement expected in western Europe and any probable increase in the United States and Australia.

Larger exportable supplies of meat in 1946 than last year will be available only from the United States, and this primarily because of reduced military requirements. All available supplies will be required to meet the demands of the buying nations and of UNRRA primarily for the urban populations in deficit countries. Smaller quantities than last year will be available from South America and possibly Canada.

Slightly larger pork supplies will be available in Western Europe and in the United States. Pork production in Argentina, however, will show a decline, probably about 40 percent. In Canada pork and bacon production continues downward but beef and veal output is expected to increase. Otherwise, the proportions of the various classes of meat will show no significant changes in 1946 over that in 1945.

In comparison to prewar, meat production in 1945-46 in North America, Europe, and the principal producing countries of the Southern Hemisphere will average about 6 percent lower. Prospective supplies for export, however, will be higher than prewar with current estimates at 6,200 million pounds against a prewar total of 4,200 million pounds. This increase is largely accounted for in the greater exports from the United States and Canada. These exports are going mostly to replace the reduction in meat output in the United Kingdom and in the countries of Continental Europe.

In the United Kingdom, domestic production is 800 million pounds below prewar levels, and supplies from Europe, averaging about 650 million pounds yearly, were not available during the war. This made it necessary to increase the importation from North America and the Southern Hemisphere. The per capita consumption of meat in the United Kingdom remains at only about 80 percent of prewar, notwithstanding that about three-fourths of all exports go to that country.

Production of meat in Europe, excluding the Soviet Union, in 1945-46 is estimated to be only about 56 percent of prewar. The largest relative declines have occurred in the Netherlands, Belgium, Switzerland, Yugoslavia, Poland, Austria, Hungary, and Germany. The decline in the first three countries resulted largely from loss of imports of feed grains, but that in the others is directly related to war damage. Lack of feed imports caused a pronounced decline in pork production in Denmark, where output now is only about half of prewar.

In the Soviet Union, meat supplies are believed to be considerably below prewar levels. Livestock numbers, however, increased about 6 to 7 percent during 1945, with the largest increase in hogs and cattle. Part of this increase was due to the acquisition of livestock (mostly cows) from former Axis countries. The improvement in the livestock situation was reflected in an increased meat supply. This is evidenced by the improved fulfillment of the official meat rations. Since the fall of 1945, meat has been supplied in place of a certain portion of the fats ration when a shortage has developed in stores.

In contrast to the situation in Europe and the United Kingdom, meat production during the war expanded considerably in the United States, Canada, and Argentina, largely because of heavy stocks of grains on hand at the beginning of the war and unusually favorable seasons for feed production during the war.

Current meat production in the United States is at a slightly higher level than a year earlier and is estimated at 24,600 million pounds for 1945-46. This is about 42 percent above prewar production. Including edible offal, current allocations for civilian consumption are at an annual per capita rate of 162 pounds (150 excluding offal), compared to about 143 in 1945 and 134 in the prewar period. Allocations for exports and shipments for 1945-46 total nearly 1,600 million pounds, excluding substantial quantities from military stocks. The United States is furnishing almost half the meat from world supplies available to France, Belgium, and the Netherlands and more than 80 percent of the meat going to UNRRA.

Canada, New Zealand, and Australia continue to limit the quantity of meat going to their civilian populations in order to export larger quantities to the United Kingdom and liberated areas.

In Argentina, cattle marketings were reduced because of drought, and beef production in 1945 fell below earlier expectations. Some improvement occurred during the latter months of 1945 and early 1946. Pork production in 1946, however, is estimated at only 40 percent of 1945 and less than half the peak production in 1944.

In the outlook for meat production in 1946 and 1947, it is significant that there is a critical world shortage in feed grains. This fact will have a limiting effect on restoration of meat production, especially pork in Europe, and will tend to restrict production in the United States, Canada, and Argentina. Barring a serious decline in

consumer demand in the United States which is not anticipated, it is likely that all exportable supplies here, as elsewhere, will find a ready outlet abroad in 1946 and 1947.

MEAT 1: Production and trade 1934-38, and estimated production and exports, 1945-46

Country	Estimated production		Apparent domestic disappearance		International trade		
	Prewar 2/		Prewar 2/		Prewar 2/		Pro- spective 1945-46
	1945-46		1945-46		Net imports	Net exports	Net exports
	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds
United States	17,300	24,600	5/ 17,400	65	-	1,600	
Canada	1,489	2,400	5/ 1,308	-	168	780	
Mexico 4/	698	895	699	1	-	-	
Cuba 4/	308	296	312	4	-	-	
Argentina 4/5/	4,459	4,600	2,999	-	1,460	1,700	
Brazil 4/ 6/	2,331	2,000	2,118	-	213	110	
Uruguay 4/ 6/	571	475	247	-	324	220	
Chile 4/	349	384	331	-	18	22	
Paraguay 4/7/	87	150	71	-	16	65	
United Kingdom	2,815	2,000	5/ 6,261	3,514	-	-	
Eire	n.a.	n.a.	n.a.	-	76	18	
Norway	225	126	227	2	-	-	
Sweden 4/	660	554	644	-	16	-	
Finland	265	176	260	-	5	-	
Denmark	1,008	721	459	-	549	270	
Netherlands	982	313	796	-	86	-	
Belgium	750	335	796	46	-	-	
France	4,084	2,868	4,131	47	-	-	
Spain	1,320	1,160	1,382	2	-	-	
Portugal	317	365	317	-	8/	-	
Switzerland 4/	419	270	436	17	-	-	
Italy	1,535	1,083	1,650	113	-	-	
Germany	7,628	3,650	7,884	182	-	-	
Austria	653	9/	665	12	-	-	
Czechoslovakia	957	664	957	-	8/	-	
Poland	1,631	9/	1,551	-	100	-	
Yugoslavia	654	341	632	-	22	-	
Greece	278	179	279	1	-	-	
Bulgaria	363	290	357	-	6	-	
Hungary	836	190	822	-	14	-	
Albania	31	20	31	-	-	-	
Rumania	723	414	717	-	6	-	
Total con- tinental	:	:	:	:	:	:	:
Europe	25,279	14,269	24,973	424	804	-	
U. of S. Africa	672	800	678	6	-	-	
Australia	2,310	2,160	1,736	-	534	640	
New Zealand	1,160	1,176	551	-	610	782	

(See footnotes on following page)

(footnotes for preceding table)

1/ Carcass meat plus edible offal. Includes beef and veal, pork, mutton and lamb, goat, and horse meat. 2/ Prewar average is for years 1935-39 for United States and Canada, 1935-38, principally for European countries, and 1934-38 for others. 3/ Adjustment made for storage stocks. 4/ Exclusive of edible offal. 5/ Excludes production of pork for consumption on farms. 6/ Excludes farm production and consumption. 7/ Beef and veal only. 8/ Less than 500,000 pounds. 9/ Allowance included in total. N.a. = not available.

Fish 1/

The world fish catch, which was sharply curtailed by the war, has increased substantially since the cessation of hostilities. Those European countries normally depending upon fish for an important part of their food supply are increasing the fish catch as rapidly as possible, and 1946 supplies of fresh fish are expected to be considerably higher than in 1945. Japan may be permitted to increase her fishing industry somewhat in 1946 from the unusually low level of 1945. The supplies of salt fish will be increased rapidly in 1946 as Norway gets back into production and as Iceland converts back to that type of processing, and a moderate increase is expected in the supply of canned fish. Whaling activity is being resumed, and supplies of whale oil should increase considerably in 1946..

Estimates of the world shortage of fish, made in 1944, indicate a deficiency in production from earlier levels of 6 million tons. Of this shortage, 2 million tons were in the United Nations and Allied countries, 1/4 million in the neutral countries, and 3-3/4 millions in the Axis and Axis-controlled countries. The size of this deficit can be understood when it is compared with the total annual production of the United States, which averages around 2-1/2 million tons.

The production of fish began to decline at the start of the war, first in Europe, and later in other parts of the world as the war spread. Not only were fishing vessels taken for war purposes, but fishing operations were restricted by naval activities and the existence of mine fields, many of which were located on the best fishing grounds. Fishing, like all other industries, also was affected adversely by labor shortage. Further, for security reasons, it became essential to limit the areas of fishing activities, and the hours during which fishing could be carried on.

The absence of fishing activities for several years in the grounds off the European coasts has resulted in a large increase in the fish population. This means that more fish can be caught with less effort and with less equipment. This is most fortunate, as there is, and will be for some time to come, far fewer nets and other fishing supplies and

1/ Prepared in Fish and Fish Products Division, Special Commodities Branch, P.M.A.

equipment than are necessary for the maximum production of fish. The vessels which were taken for war work, and those which were destroyed are being replaced, but the number is still much below prewar.

Estimates of the production of fresh fish are lacking for many countries and regions. It can safely be assumed, however, that the catches will continue to increase with the rehabilitation of the industry. This is proceeding in keeping with the increase in manpower, vessels, and the supplies of gear. During part of the war period, countries like Iceland, rapidly increased the production of frozen and iced fish at the expense of the normal production of salted fish. Much of the fresh types of fish went to the United Kingdom, but it is expected that this trade will decrease with the return of the fishing directly off the coasts of that country. In normal times, exports of fresh fish are of little importance in international trade, as only a very small portion of the total catch moves abroad in that form. However, fresh fish does contribute largely to the food supplies for local consumption, and for that reason, particularly at present, strong efforts are being made to rebuild the home fisheries in most foreign countries.

The latest estimate for the world exportable surplus of salt fish for the current calendar year is 275 million pounds, an amount about 74 percent larger than for the preceding year. The increase is mainly due to the return of Norway as a source, and the conversion of the fresh and frozen fish activities in Iceland to the old-established salt-fish business. The estimated requirements of the several countries amount to 375 million pounds, or about 36 percent more than the supplies. Tentative allocations are being considered by the Combined Food Board, which would give to most countries more salt fish than they had in 1945, but much less than is wanted.

Trawlers from some of the European countries, notably Spain, Portugal, and France, are expected to operate extensively this year. These catches will undoubtedly be used in the respective countries. On the basis of the total expected production, exclusive of these countries, it appears that about 63 percent of the average prewar supplies will be obtained during this year.

Since the end of the European war activities, the countries on the North Sea have all returned to the catching and curing of herring and mackerel and other fish. Production has increased to a considerable extent, and at least some of these countries are now on an export basis. If the usual runs occur this year, there will be still larger amounts available for the use of countries in the interior of Europe.

The outlook for canned fish shows some improvement over that of 1945. Anticipated supplies will be slightly larger (7 percent) than the 1945 production. With the stocks on hand, the total supply will be about 1.1 billion pounds.

Against these supplies, allocations are being considered by the Combined Food Board. These have taken into account the changing needs of

the armed forces of the Allied Governments, and the increased needs of the liberated areas in Europe and elsewhere. In general, more canned fish will be available to most consumers, and it will help to replace the still deficient supplies of meat. If some foreign countries can obtain larger amounts of tin plate, their production of canned fish may be considerably greater than the currently estimated production in those areas. Should this occur, the supply situation will be somewhat further improved.

The fish production of Japan and the Soviet Union is an unknown quantity. Prior to the war, these countries were among the largest producers of fish. The latter has unquestionably increased its production, as the importance of fish in the national economy has long been recognized. For obtaining gear, nets, and twine, the Soviet Union has had a preferred position, and large amounts of such materials have been sent to them. The situation in Japan is not at all clear. On account of the manner in which the Japanese carried out their fisheries on the high seas before the war, and their unwillingness to cooperate with other nations in conservation activities, such as the International Whaling Agreement, it is probable that restrictions will be placed on their fisheries, although these will permit them to get the fish so essential for the feeding of their own people.

Milk and Dairy Products

The world supply of milk and dairy products at the beginning of 1946 continued short of demand, despite favorable milk flow in 1945 in most of the principal producing countries. Supplies continue to be allocated on an international level by the Combined Food Board. The high 1945 output of dairy products in the United States, Canada, and New Zealand, together with large military stocks, has made it possible to meet the most essential demands in 1945 and early 1946.

Under average conditions, total world production in 1946 is not expected to show much, if any, improvement over the 1945 output, which was increased by unusually favorable producing conditions in the United States, Canada, and New Zealand. Any improvement in output in spots in Europe will likely be counterbalanced by less favorable conditions than last year in the United States, Canada, and New Zealand.

Reduced reserves, some decline in output in supplying countries, plus diversions to fluid cream and high-return products in 1946, may tend to keep most dairy products in tight supply for another year. Only for dried skim milk are supplies expected to equal demand, and then not before midyear.

In comparison with prewar levels, milk production is high in the United States, Canada, and the United Kingdom. Notwithstanding the sizable increase in output of this group, about 23 billion pounds above prewar, there has been a net decline for the world.

Milk production in Europe, which in the immediate prewar period amounted to about one-half of the estimated world production, had fallen 25 percent by 1944. The decline to that time had occurred largely in western Europe where production had been lowered by a substantial drop in cow numbers and also in output per cow. Since 1944 there have been heavy losses in the number of cows in central and eastern Europe and also some decline in output per cow. As a result, milk production in 1946 for continental Europe (excluding Soviet Union) will be only 65 percent of immediate prewar output. The decline amounts to about 75 billion pounds, which is roughly equivalent to five-eighths of the present production in the United States.

As a result of total lower production and of transportation difficulties, direct consumption of milk has declined about 27 billion pounds, which represents a drop of about 37 percent from prewar levels. There will remain about 20 billion pounds less milk available in 1946 for the manufacture of dairy products for consumption within Europe than prewar, after accounting for prewar exports of dairy products equivalent to about 11 billion pounds of milk and allowing for some reduction in the amount used for animal feeding.

Compared to the sharp changes from prewar in milk production in North America and Europe, changes elsewhere in the world are minor, except in the Soviet Union. No official estimates of current milk production in the Soviet Union are available, but based on estimated declines in cattle numbers during the war, the 1946 production of milk will be appreciably below the 63.6 billion pounds in 1938 as estimated by Soviet officials. The 1946 milk production, however, will be higher than in 1945, due to importations of cows from central and eastern Europe.

To the extent that milk production is related to cattle numbers, a picture of the wartime changes in production in the above areas and the rest of the world can be obtained from the map showing the declines in cattle numbers.

Butter

Supplies of butter entering world trade in 1945-46, estimated at about 625 million pounds, will be only about half the average annual exports for the years 1934-38. As in the prewar period, the United Kingdom will absorb most of these supplies, but the quantity will be less than 60 percent of net prewar imports, averaging 1,065 million pounds. At the same time, total supplies from domestic production in the United Kingdom have declined from about 105 million pounds to 18 million pounds.

Danish exports of butter are expected to total about 180 million pounds in the 1945-46 year, but part of this supply will remain on the Continent. In contrast, continental Europe, exclusive of the Soviet Union, had net exports averaging about 460 million pounds during the

prewar period 1934-38. Domestic supplies in 1945-46 will be materially less than prewar in France, Italy, and Poland, but in Central Europe, supplies of factory or creamery butter will about equal prewar levels. In this area the general shortage of fats during the war caused emphasis to be placed on delivery of milk to separating stations in order to obtain cream for butter. In the Soviet Union, butter production is believed to be materially below prewar by reason of large losses in cattle numbers.

Not much change is expected in creamery butter production in the United States in 1946 over the low output of about 1,350 million pounds in 1945 and the supply will be far short of demand. The per capita supply will be only about 2/3 of prewar levels.

BUTTER ^{1/}: Production and trade 1934-38 and estimated production and exports, 1945-46.

Country and region	Production		Domestic disap- pearance	International trade-		
				1934-38		Pro-
	Average	Estimated				spective
	1934-38	1945-46		1934-38	Net	Net
		2/		imports	exports	exports
	Million	Million	Million	Million	Million	Million
	pounds	pounds	pounds	pounds	pounds	pounds
United States	1,673	1,350	1,631	8	-	6/
Canada	248	310	246	-	2	5
Argentina	66	-	48	-	13	31
United Kingdom	44	18	1,109	1,065	-	-
Eire	89	-	37	-	52	-
Belgium	46	99	56	10	-	-
Denmark	401	302	73	-	328	180
Finland	61	-	32	-	29	0
France	187	143	182	-	5	0
Germany	792	1,000	963	171	-	0
Netherlands	201	143	92	-	109	0
Sweden	151	165	101	-	50	0
Switzerland	3/ 62	44	64	2	-	0
Czechoslovakia	27	28	23	1	-	0
Union of S. Africa	28	30	25	-	3	0
Australia	4/437	4/348	219	-	218	112
New Zealand	5/315	5/340	6	-	309	295

1/ Creamery butter. 2/ Estimated. 3/ Total butter. 4/ Production year beginning in July. 5/ Production year beginning in August. 6/ Will be limited to shipments of about 10 million pounds to United States territories.

Cheese

World supplies of cheese will continue short of demand through the first quarter of 1946 in spite of the high 1945 production in the five 1/ principal supplying countries, totaling 11 percent above 1944 and 69 percent above the 1934-38 average. With but a moderate decline expected in 1945 in these countries, chiefly in the United States, export supplies will continue high in 1946.

Requirements for cheese have been at a high level because of the general world shortage of high protein foods. About 3/4 of the export supplies of cheese go to the United Kingdom, where per capita consumption of meat is only about 79 percent of prewar. Cheese supplies available there for civilian consumption in 1945-46 will continue about the same as in 1944, when per capita consumption was 9.4 pounds for the year. This compares to 11.8 pounds in 1943 and a 1934-38 average of 8.8 pounds. In the United States the demand for cheese continued broad in the last half of 1945, and natural cheddar was still unavailable to a large portion of consumers. This situation will continue well into 1946, as the upturn in supplies will come later than usual because of the heavy demands for market milk and cream. In addition, sizable quantities of cheese have been required for liberated areas in Europe.

Production of cheese in continental Europe in 1945-46, estimated at 1,385 million pounds, will be only 1/2 of prewar output. These current supplies for consumption will be about 1,230 million pounds, or 47 percent, less than prewar supplies, when allowance is made for prewar net exports from the Continent averaging 130 million pounds for the years 1934-38. In addition, as shown in the summary table above, continental supplies of animal protein foods from domestic sources in 1945-46, compared to prewar will be 43 percent less in the case of meat (excluding poultry and rabbits), 48 percent less in the case of eggs, and 37 percent less in the case of milk for fluid consumption.

As indicated in the table following, the countries in which the 1945-46 supplies of cheese will be appreciably below prewar, are France, the Netherlands, Italy, Germany, Poland, and Belgium.

If the United Kingdom continues to require cheese imports at the present annual rate of 450 million pounds in lieu of higher supplies of meat, it would appear that little more than 200 million pounds of cheese will be available out of world supplies for export to other areas.

1/ United States, Canada, New Zealand, Australia, and Argentina.

CHEESE 1/: Production and trade 1934-38, and estimated production and exports, 1945-46.

Country and region	Production		Apparent domestic disappearance	International trade		Pro-spective
	Average	Estimated	1934-38	1934-38		1945-46
	1934-38	1945-46		Net imports	Net exports	Net exports
	Million pounds	Million pounds		Million pounds	Million pounds	Million pounds
United States	643	1,000	696	53	-	250
Canada	115	180	43	-	72	130
Argentina	68	-	65	-	3	26
United Kingdom	<u>2/</u> 81	54	394	313	-	-
Eire	4	-	3	-	1	-
Finland	20	7	8	-	12	-
Norway	39	17	36	-	3	-
Sweden	76	68	78	2	-	-
Denmark	69	79	51	-	18	2
Netherlands	<u>3/</u> 266	53	135	-	131	-
Belgium	<u>4/</u>	3	50	50	-	-
France	324	154	330	6	-	-
Spain	31	<u>5/</u>	33	2	-	-
Switzerland	<u>3/</u> 112	83	74	-	38	-
Italy	<u>3/6/</u> 524	137	480	-	44	-
Germany	440	250	509	69	-	-
Austria	49	<u>5/</u>	44	-	5	-
Czechoslovakia	55	43	56	1	-	-
Poland	<u>3/</u> 134	<u>5/</u>	134	-	-	-
Balkans	<u>6/</u> 607	406	618	-	-	-
Total continental Europe	2,746	1,385	2,636	-	-	-
Australia	<u>7/</u> 49	<u>7/</u> 78	33	-	16	45
New Zealand	<u>8/</u> 194	<u>8/</u> 224	13	-	193	216

1/ Factory cheese. 2/ Estimated. 3/ Total production. 4/ Less than 500,000 pounds. 5/ Included in total. 6/ Includes cheese made from milk of sheep and goats. 7/ Production year beginning in July. 8/ Production year beginning in August.

Canned Milk

For the 1945-46 consumption year, world supplies of canned milk, especially of unsweetened, are reasonably adequate to meet the effective demand, largely because of the greatly expanded 1945 output in the United States and Canada. The 1946 production in the United States will be reduced about one-sixth, but will continue on a high level. Supplies from this source for world trade will continue to be augmented by some supplies from Canada, New Zealand, and Australia. Limited supplies will be available from Denmark and possibly some from the Netherlands after midyear.

The United States became the chief supplier of canned milk for world trade after mid-1940, when the Netherlands was cut off as a source of supply for the many areas importing this product. Production expanded rapidly during the war, and the output in 1945 was about double the pre-war production. Whereas prewar exports of canned milk from the United States had been small since 1925, exports from this country alone during the war jumped to a level exceeding the 1934-38 average of 603 million pounds entering world trade from all sources. The Netherlands had exported nearly half of this volume.

The need for milk in liberated areas of both Europe and Asia has, to a certain extent, supplanted military needs, and total requirements for the current year have continued high. Supplies have been particularly needed in urban areas for infants and children and are now very useful in meeting the current critical food situation in many areas of Europe, where fresh-milk supplies are short of nutritional requirements.

The 1946 output of canned milk in the United States is expected to decline from the peak level of 1945. The decline may reach 800 million pounds, depending upon the domestic demand for cream and other high-return products and also upon the extent to which the demand for foreign shipments can become firm commitments prior to the flush season in production. It is anticipated, however, that exports and shipments from the United States will not exceed 800 million pounds compared to approximately 598 million and 747 million pounds in 1944 and 1945, respectively.

CANNED MILK ^{1/}: Production and trade 1934-1938 and estimated production and exports, 1945-1946.

Country	Estimated production		Domestic disappearance 1934-38	International trade		
	Average	1945-46		1934-38		Pro- spective 1945-46
	1934-38	2		Net imports	Net exports	Net exports
	Million pounds	Million pounds		Million pounds	Million pounds	Million pounds
United States	2,470	4,200	-	-	33	800
Canada	92	230	-	-	23	70
Cuba	33	24	-	4	-	-
Argentina	n.a.	8	-	-	-	1
United Kingdom	379	242	-	168	-	-
Denmark	41	-	-	-	40	6
Netherlands	305	72	-	-	2/ 356	-
France	29	24	-	-	6	0
Switzerland	14	10	-	-	13	0
Australia	39	100	-	-	16	50
New Zealand	11	18	-	-	22	16

^{1/} Total including that sweetened or unsweetened made from whole or skim milk.

^{2/} Prior to 1937 export figures represented gross weight.

n.a. = not available.

Dried Milk

Dried-milk production in 1945 reached 1,100 million pounds in the five important producing countries of the United States, United Kingdom, Canada, Australia, and New Zealand, compared to an average prewar output of 295 million pounds. This production is largely of nonfat milk solids, which have developed during the war as an important means of meeting certain dietary needs.

Production has been adequate for most requirements, but despite the high production, markets continue reasonably firm. As production of fluid cream and possibly of butter is stepped up in the United States, the production of dried skim milk may approach demand at current prices.

Supplies of dried milk available for export in 1945-46 from producing countries are expected to total about 400 million pounds. About 350 million pounds of this will be available from the United States and the remainder from Canada, Australia, New Zealand, and Argentina. An average of 68 million pounds of dried milk entered world trade in the prewar period 1934-38. Most of these exports were from the Netherlands and New Zealand.

Most of the supplies for export in the current year will go to the United Kingdom and to liberated areas in Europe and the Far East. Sizeable quantities will also move as commercial shipments to tropical and other areas with limited milk supplies.

DRIED MILK ^{1/}: Production and trade 1934-1938 and estimated production and exports, 1945-1946.

Country	Production		Domestic disappearance	International trade		
				1934-38		Pro-spective 1945-46
	Average 1934-38	Estimated 1945-46	1934-38	Net imports	Net exports	Net exports
	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds
United States	204	800	n.a.	1	0	350
Canada	23	50	"	-	4	10
Argentina	n.a.	12	"	-	2/	5
United Kingdom	34	70	"	29	-	0
France	8	33	"	-	1	0
Netherlands	56	20	"	-	37	0
Australia	17	47	"	-	3	9
New Zealand	17	30	"	-	16	25

^{1/} Total dried whole milk and dried skim milk for human consumption.

^{2/} Less than 500,000 pounds.

n.a. = not available.

Eggs

Egg supplies have continued short of demand during the past 6 months even in the United States and Canada, where production has been on a high level. The generally short supplies of protein foods have increased consumption wherever egg supplies have been available. The large stocks of dried eggs accumulated in 1943 and 1944 have been utilized in food-deficit areas of the world, and egg stocks at the end of 1945 were at an exceedingly low level compared with war years.

In 1946 world egg production will be somewhat less than last year and about 5 percent below prewar (1934-38) average production. High levels of production in the United States and Canada, about 20 billion eggs above prewar, nearly offset the large wartime decline in Europe. These two continents produce nearly three-fourths of the world production of eggs.

Supplies of eggs in 1946 for movement into importing countries are expected to exceed 6 billion in shell equivalent. These will come largely from the United States, Canada, Argentina, Eire, Denmark, and

Australia. About two-thirds of these prospective supplies will be available from the United States.

Production in Canada in 1946 is expected to be nearly 4.6 billion eggs. Of these, 3.5 billion will be domestically consumed, leaving about 1.1 billion for export. These will move largely to the United Kingdom, with approximately 60 percent in shell form and the balance dried.

Egg production in the United States in 1946 is estimated at 53 to 54 billion eggs. The supply of meat and other protein foods, together with relative consumer purchasing ability, will determine domestic consumption, but per capita consumption is expected to be under the peak rate of 390 eggs reached in 1945. Some 4 billion eggs are expected to be available for export. Most of these will be dried, but if buying nations make the necessary financial and procurement arrangements sufficiently in advance, part of the supply could move in shell form from the larger organizations equipped with facilities for export packing.

The United Kingdom will have available this year only about 4.5 billion shell eggs compared to a prewar average of 7.8 billion, unless appreciable quantities of eggs move from the United States in shell form. About 2.1 billion shell eggs were imported annually from continental Europe before the war. The balance of the decrease in available supplies of shell eggs is due to a decline of about one-third in domestic production. Total consumption of eggs in the United Kingdom, however, was maintained in 1945 at near prewar levels by stocks from previous years and by large imports of dried eggs from the United States. A shell-egg equivalent of 200 eggs per person was consumed in the United Kingdom in 1945 compared to an average of 195 annually in the period 1935-1939. This is approximately one-half of the 1945 consumption rate in the United States. As lack of available feed supplies in Europe will prevent any appreciable export of eggs to the United Kingdom before 1948, substantial quantities of eggs will have to move from the United States if present consumption is to be maintained in the United Kingdom. Supplies from this source may be available in 1946, but if present unfavorable egg-feed price ratios continue, supplies in 1947 are much less certain. In both years available supplies will be greatly dependent upon United States demand.

Consumption of eggs in Europe in 1945-46 will be between 17 and 18 billion eggs less than in the 5-year period 1934-38. This is a result of a decline of approximately 50 percent in total egg production. Indicated short supplies of feed do not point to a large recovery within the next year. The countries with the smallest current supplies of eggs in relation to prewar consumption are Finland, Norway, Netherlands, Belgium, Switzerland, and Poland.

Short supplies of grain in North Africa, due to droughts, eliminate this region as a current source of eggs for European countries. The Union of South Africa is expected to export about 8 million eggs to the United Kingdom in the first half of 1946.

EGGS: Production and trade 1934-1938, and estimated production and exports 1945-46.

Country and region	Estimated production		Apparent domestic disap- pearance	International trade 1/			
				1934-38		Pro- spective 1945-46	
	Average 1934-38	1945-46		1934 to 1938	Net imports	Net exports	Net exports
	Million eggs	Million eggs		Million eggs	Million eggs	Million eggs	Million eggs
United States	35,498	54,000	35,482	2/	16	4,000	
Canada	2,630	4,600	2,612	-	18	1,039	
Cuba	320	324	320	-	-	0	
Argentina	n.a.				67	540	
United Kingdom 3/	5,098	3,416	7,783	4/2,685	-	-	
Eire	1,086	800	-	-	358	200	
Finland	317	[143]	174	-	143	0	
Norway	369	[]	349	-	20	0	
Sweden	900	900	843	-	57	0	
Denmark	1,979	935	605	-	1,374	226	
Netherlands	1,978	[835]	727	5/	1,251	0	
Belgium	1,702	[]	1,524	5/	178	0	
France	6,200	4,000	6,364	5/ 164	-	-	
Spain	1,700	1,600	2,300	600	-	-	
Switzerland	423	210	673	250	-	-	
Italy	5,600	3,100	5,701	5/ 101	-	-	
Germany	6,585	[]	7,947	5/1,362	-	-	
Austria	663	[5,185]	643	-	20	0	
Czechoslovakia	1,958	[]	2,044	86	-	-	
Poland	3,500	[]	3,063	-	437	0	
Balkans	5,100	2,617	4,300	-	700	0	
Total continental Europe	38,974	19,525	37,258	-	-	-	
Algeria	n.a.	n.a.	-	-	34	0	
French Morocco	n.a.	n.a.	-	-	188	0	
Egypt	n.a.	n.a.	-	-	69	0	
Union of South Africa	n.a.	n.a.	-	-	43	8	
China	n.a.	-	-	-	6/333	0	
Australia	708	1,380	525	-	183	288	

1/Trade shown only for shell eggs. 2/Imports of dried-egg products averaged nearly 2 million pounds. 3/Total production. 4/An additional 95 million pounds of egg products were imported. 5/Appreciable quantities of egg products imported. 6/An average of 123 million pounds of egg products also exported. N.A. = not available.

China continues out of the egg export market and production there is estimated to have declined at least to the extent of the quantities previously exported. Adequate domestic supplies are at present reported in some regions of China.

In Australia, egg production has increased appreciably during the war, and exports during the current season are expected to reach an equivalent of 288 million eggs. On the other hand, egg production in New Zealand is reported short of demand.

Under the stimulus of considerably higher prices, exports of eggs from Argentina during the current season (July through June) are expected to reach 540 million eggs, exceeding shipments during the preceding season of 1944-45 by as much as 16 percent. About 75 percent of these exports will move in dried form and the rest as shell eggs. From two-thirds to three-fourths of the exports will be shipped to the United Kingdom, and the remainder will go largely to France and Belgium.

Approved by Outlook and Situation
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